

Classes

corporate income tax

PRINCIPLES AND AUDIT TECHNIQUES FOR ALLOCATION AND APPORTIONMENT

Understanding constitutional principles and mechanics that apply to corporate income tax apportionment is essential for those involved with legislative, legal and audit processes.

OBJECTIVE:

At the end of Part 1, students will have a thorough understanding of law and mechanics for the apportionment of corporate income tax. At the end of Part 2, students will have a thorough understanding of techniques needed for the audit of a multistate business.

AUDIENCE:

Part One (2 days) is for any state revenue employee (lawyer, auditor, policy analyst or other) and can be taken on a stand-alone basis.

Part Two (2 days) is for state auditors or those who support state audit work. Part Two students must also take Part One of the course.

PREREQUISITES:

Some exposure to state corporate income tax concepts.

STUDENT REQUIREMENTS:

Part Two students are required to bring a laptop computer with a CD drive. Many of the Part Two problem sets are conducted using Excel spreadsheet software.

PROGRAM LEVEL:

Intermediate

PROGRAM CONTENT:

Part One: Provides all participants with an understanding of the principles and limitations of corporate income taxes. Particular emphasis will be directed to the unitary business principle, the determination of apportionable income, the apportionment formula, combined reporting, and various other issues associated with income attribution and apportionment.

Part Two: Introduces or refreshes the student (depending on the knowledge and experience of the student) to techniques for the audit of a multistate business. It includes the following topics: pre-audit procedures, conducting unitary investigations, computing combined income, analyzing business/non-business income issues, computing state modifications, computing the combined apportionment factor, computing net operat-



ing losses, and analyzing nexus issues. Problem sets are utilized and audit techniques are discussed throughout this section of the course. It concludes with a comprehensive problem and a discussion of current audit issues.

The content of this course focuses on general concepts applicable to most states, but is also adapted to cover the law and practices of the host state. Thus, the coverage of particular topics, e.g. combined reporting, varies from one class to another.

COURSE MATERIALS:

All participants will receive a comprehensive outline regarding state income tax concepts. Part Two students will receive a comprehensive course binder which includes course materials and problems sets.

ADVANCE PREPARATION:

None

INSTRUCTIONAL DELIVERY METHOD:

Group-Live

RECOMMENDED CPE CREDITS:

32 hours

REGISTRATION INFORMATION:

Contact Antonio Soto at asoto@mtc.gov or (202) 508-3846

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"I really appreciated how much you tailored the discussion to Oregon going to single sales factor and being consolidated. Excellent job!"

**- A student at the October 2006
Corporate Income Tax course in Oregon**

"This is the second MTC training that I have attended. Quality of programs have been excellent. I will recommend that other lawyers attend."

**- A student at the February 2007
Corporate Income Tax course in Oklahoma**

